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**U.S. CHARGES PETER GOTTI, BOSS OF THE GAMBINO FAMILY,
WITH RACKETEERING, EXTORTION OF CONSTRUCTION COMPANIES
AND CONSPIRACY TO MURDER "SAMMY THE BULL" GRAVANO**

JAMES B. COMEY, the United States Attorney for the Southern District of New York, and PASQUALE D'AMURO, the Assistant Director in Charge of the New York Office of the FBI, announced today the filing in Manhattan federal court of an Indictment against PETER GOTTI, the Boss of the Gambino Organized Crime Family of La Cosa Nostra ("LCN"), charging him with federal racketeering offenses.

Specifically, GOTTI is charged in a superseding Indictment with participating in the affairs of the Gambino Family, as the Boss and as a member of the Family's ruling panel, by conspiring to extort various construction companies in the New York City area and by conspiring to murder Salvatore "Sammy the Bull" Gravano, the former Underboss of the Family.

GOTTI was indicted together with five other Members and Associates of the Gambino Family - LOUIS VALLARIO, a/k/a "Big Louie," FRANK FAPPIANO, a/k/a "Frankie Fap," EDWARD GARAFOLA, a/k/a

"Cousin Eddie," THOMAS CARBONARO, a/k/a "Huck," and JOHN MATERA, who had all previously been charged in indictments alleging a wide-ranging racketeering conspiracy and other offenses, including three murders, the extortion of various individuals and businesses, loansharking, bribery, witness tampering and illegal gambling.

The Superseding Indictment, which merges the charges previously brought separately against GOTTI's co-defendants, alleges that from about 1991 to about April 2003, GOTTI, along with FAPPIANO, GARAFOLA and CARBONARO, conspired with each other and with others to use the reputation of the Gambino Organized Crime Family to extort various construction contractors through threats of violence and work stoppages.

The Superseding Indictment also charges that from about October 1999 to about May 2000, GOTTI participated, along with GARAFOLA and CARBONARO, in a conspiracy to murder Salvatore Gravano, a/k/a "Sammy the Bull," the former Underboss of the Gambino Family.

The Superseding Indictment alleges that GOTTI, then the Acting Boss of the Gambino Family, GARAFOLA, a Soldier in the Gambino Family and Gravano's brother-in-law, and CARBONARO, a Soldier in the Gambino Family, conspired to kill Gravano in order to maintain and increase their respective positions in the Gambino Organized Crime Family.

In addition to the charges against GOTTI, the Superseding Indictment also contains a new charge against FAPPIANO. The

Superseding Indictment charges FAPPIANO with participating in the attempted murder of Anthony Capo, a member of the DeCavalcante Organized Crime Family, in or about 1994.

GARAFOLA, VALLARIO and FAPPIANO were arrested in June 2002 on a prior indictment, charging them with murders, extortion, loansharking, bribery, witness tampering and illegal gambling. VALLARIO is an alleged Captain in the Gambino Organized Crime Family, and FAPPIANO is an alleged Soldier in the Family. On April 17, 2003, alleged Gambino Soldier CARBONARO and JOHN MATERA, an alleged Associate of the Gambino Family, were added to this case and charged with, among other things, murdering Frank Hydell, an individual they suspected of cooperating with the Government. Hydell was killed outside of a club in Staten Island in the early morning hours of April 28, 1998. On May 21, 2003, GARAFOLA and CARBONARO were charged with conspiring to kill Gravano.

The Superseding Indictment filed today, in addition to the new charges against GOTTI and FAPPIANO, contains all of the charges contained in prior indictments against VALLARIO, FAPPIANO, GARAFOLA, CARBONARO and MATERA, such as allegations that VALLARIO, FAPPIANO and GARAFOLA engaged in a widespread pattern of racketeering, including the September 1989 murder of Frederick Weiss and the shooting of a union official named Frank Parasole in January 1997.

If convicted of the charges in the Superseding Indictment, GOTTI faces a maximum sentence of 70 years in prison. VALLARIO, FAPPIANO and GARAFOLA face life sentences. If convicted of the murder of Hydell, CARBONARO and MATERA could face the death penalty.

GOTTI is currently in federal custody awaiting sentencing on other federal charges. VALLARIO, FAPPIANO and GARAFOLA have been denied bail and have been in federal custody pending trial since June 2002. CARBONARO was arrested on April 17, 2003, and was also detained pending trial. MATERA is currently serving a federal sentence on other federal charges.

GOTTI, VALLARIO, FAPPIANO, GARAFOLA, CARBONARO and MATERA will be arraigned on the Superseding Indictment on Wednesday, August 20, 2003, at 10:30 A.M. in Courtroom 17B at 500 Pearl Street before United States District Judge RICHARD CONWAY CASEY.

Mr. COMEY praised the efforts of the Federal Bureau of Investigation and the New York City Police Department in this investigation, and stated that the investigation is continuing.

Assistant United States Attorneys JOHN M. HILLEBRECHT, MICHAEL G. McGOVERN and JOON H. KIM are in charge of the prosecution.

The charges contained in the Superseding Indictment are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

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